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NEVADA

NEVADA EMPLOYMENT SECURITY DEPARTMENT

ECONOMIC UPDATE

ROBERT LIST
Governor

AUGUST 1982
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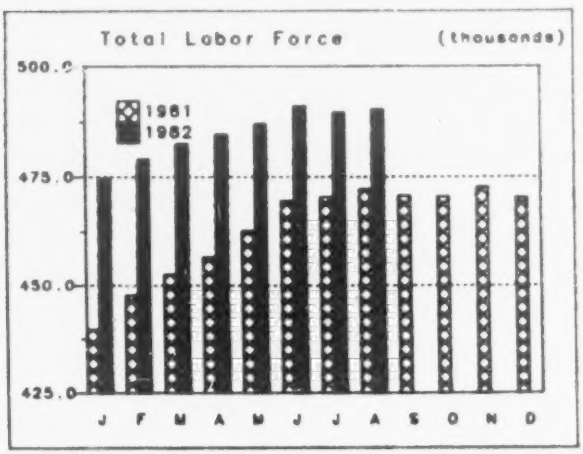
LAWRENCE O. McCRACKEN
Executive Director

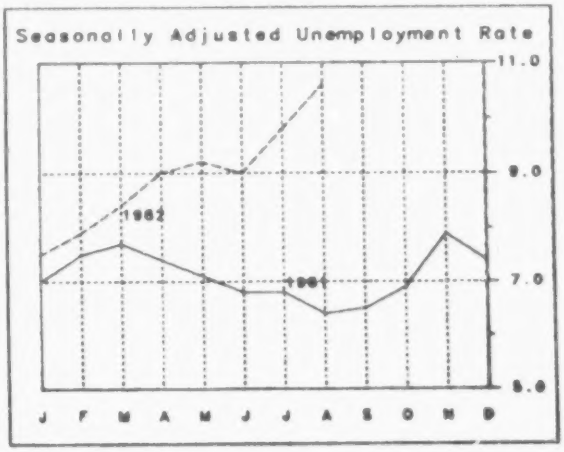
During August, Nevada's seasonally-adjusted unemployment rate climbed to a record-breaking 10.6 percent from July's revised rate of 9.8 percent. The upward movement represents a departure from the trend for the Nation which held steady at 9.8 percent over the two-month period. This is the first time since 1977 that the Nevada jobless rate exceeded the National. One year ago the Nevada and National rates were much lower at 6.4 and 7.2 percent respectively.

All areas within the State suffered increased jobless rates. The Las Vegas SMSA recorded a seasonally-adjusted rate of 11.5 percent, up eight-tenths of a percentage point over July's rate. Nearly a full percentage point increase was registered in the Reno area as the rate moved from 8.4 to 9.3 percent. The Balance of State joblessness grew to 9.6 percent in August from the month-earlier 8.0 percent reading. In contrast, Las Vegas, Reno, and the Balance of State registered significantly lower rates of 7.0, 5.1, and 6.6 percent, respectively, in August of 1981.

Although establishment-based industrial employment increased by 400 jobs during the month, the current level is far below normal. Over the year, 6,700 fewer jobs were available; the hotels, gaming, re-recreation sector accounted for three-fourths of the loss. The August decline is much steeper than recent year-over-year comparative statistics indicated, because of the MGM Grand's reopening a year ago. The new figures give a much truer picture of Nevada's largest industry's problems. Construction and manufacturing also suffered substantial decreases in employment level. Only the government sector employment increased, due largely to increases in public health care employment.

Scattered layoffs continued to occur across all industries and areas of the State during August, although Unemployment Insurance claims increased in the manufacturing sector. Significantly, unlike prior downturns wherein a slowing of employment growth occurred, Nevada's employment is currently declining. Along with the rest of the Nation, Nevada awaits improvement in long-term interest rates, metals prices, and consumer expenditures for goods and services. In the meantime, unemployment rates will probably remain at high levels.





NEVADA LABOR FORCE SUMMARY
(ESTIMATES IN THOUSANDS)

INDICATOR	AUG 82	AUG 81	CHANGE	% CHANGE	JUL 82
TOTAL LABOR FORCE	490.2	472.3	17.9	3.7%	489.6
UNEMPLOYMENT	50.1	28.1	22.0	78.2	48.4
UNEMPLOYMENT RATE	10.2%	6.0%	---	---	9.9%
UNEMP. RATE (SEASONALLY ADJUSTED)	10.6%	6.4%	---	---	9.8%
TOTAL EMPLOYMENT 1/	440.1	444.1	-4.0	- 1.0	441.2
NONAGRICULTURAL EMPLOYMENT	433.0	437.0	-4.0	- 1.0	434.5
AGRICULTURAL EMPLOYMENT	7.1	7.1	0.0	0.0	6.7
PERSONS INVOLVED IN WORK STOPPAGES	0.0	0.1	---	---	0.0

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT # OF PERSONS BY PLACE OF RESIDENCE.

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/
(ESTIMATES IN THOUSANDS)

	AUG 82	AUG 81	CHANGE	% CHANGE	JUL 82
TOTAL ALL INDUSTRIES	417.2	423.9	- 6.7	- 1.6%	416.8
MINING	7.2	8.1	- 0.9	-11.1	7.2
METAL MINING	4.5	5.2	- 0.7	-13.5	4.5
CONSTRUCTION	24.0	26.8	- 2.8	-10.4	23.9
MANUFACTURING	19.9	20.9	- 1.0	- 4.8	19.9
DURABLE GOODS	12.9	14.0	- 1.1	- 7.9	12.9
STONE, CLAY & GLASS PRODUCTS	1.6	1.7	- 0.1	- 5.9	1.5
PRIMARY METAL INDUSTRIES	1.4	1.9	- 0.5	-26.3	1.4
NON-DURABLE GOODS	7.0	6.9	0.1	1.4	7.0
FOOD PRODUCTS	1.5	1.5	0.0	0.0	1.5
PRINTING & PUBLISHING	3.1	3.1	0.0	0.0	3.1
CHEMICALS	0.9	0.9	0.0	0.0	0.9
TRANSPORTATION & PUBLIC UTILITIES	25.4	25.4	0.0	0.0	25.4
TRANSPORTATION	13.5	13.4	0.1	0.7	13.5
RAILROAD	1.8	1.8	0.0	0.0	1.8
TRUCKING & WAREHOUSE	3.7	3.5	0.2	5.7	3.7
AIR	2.9	3.2	- 0.3	- 9.4	2.9
PUBLIC UTILITIES	11.9	12.0	- 0.1	- 0.8	11.9
TOTAL TRADE	86.6	86.7	- 0.1	- 0.1	86.4
WHOLESALE	14.0	14.3	- 0.3	- 2.1	14.0
RETAIL	72.6	72.4	0.2	0.3	72.4
GENERAL MERCHANDISE & APPAREL	13.8	13.9	- 0.1	- 0.7	13.7
FOOD STORES	11.4	10.7	0.7	6.5	11.3
AUTO DEALERS & SERVICE STNS.	9.1	9.1	0.0	0.0	9.1
EATING & DRINKING PLACES	24.7	24.4	0.3	1.2	24.6
FINANCE, INSURANCE & REAL ESTATE	18.0	18.7	- 0.7	- 3.7	18.1
FINANCE	8.6	8.7	- 0.1	- 1.1	8.6
SERVICE INDUSTRIES	181.6	183.8	- 2.2	- 1.2	181.3
HOTELS, GAMING & RECREATION	118.0	123.0	- 5.0	- 4.1	117.8
PERSONAL	5.5	5.5	0.0	0.0	5.5
BUSINESS	19.4	18.2	1.2	6.6	19.4
MEDICAL & HEALTH	15.6	14.5	1.1	7.6	15.6
GOVERNMENT	54.5	53.5	1.0	1.9	54.6
FEDERAL	9.6	9.5	0.1	1.1	9.6
STATE & LOCAL	44.9	44.0	0.9	2.0	45.0
EDUCATION - STATE & LOCAL	15.7	15.3	0.4	2.6	15.8

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARILY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.

The Uneven Recession

by

Marian Battaglia, Labor Economist

Recession has settled unevenly across the Nation, as evidenced by July unemployment rates ranging from 4.5 percent in South Dakota to Michigan's 14.7 percent. Within states some cities suffer while others prosper. While the New York City rate hovers near the National average, just across the river in the wealthy suburb of Bronxville prosperity reigns. Contract losses in the aerospace industry in Seattle swell Washington's unemployment ranks, while collapse of the housing industry has done the same in Oregon, which is heavily dependent on the lumber industry. In Nevada, county unemployment rates varied widely in August, including a 2.2 percentage point difference between Washoe and Clark counties. Of 221 areas tracked by the Department of Labor, Las Vegas ranked in the top third in July, whereas Reno placed in the lower third.

Occupation has played a key role in the presence or absence of pockets of high unemployment. Construction workers nearly everywhere in the country have been idled, and blue collar workers are typcially the first to be laid off by manufacturers in their efforts to control rising inventories. Salaried white collar workers and service workers are generally affected by layoffs only after recession becomes clearly evident and prolonged. The upper working groups, such as top corporate officers, seem to be isolated from the realities of recession. Members of the Key Largo, Florida, Ocean Reef Club don't worry about losing their yachts; in Houston, Mercedes-Benz sales are brisk; and even in Dubuque, Iowa, ranked twentieth of the Nation's metropolitan areas with a 15.0 percent unemployment rate, houses in the $200,000 range are still selling to professionals.

Because adult men dominate the manufacturing and construction industries, that group has suffered severe unemployment. Women generally have held their own, with the exception of some who maintain families with no husband present. Interestingly, unemployment insurance payments to males outnumber those to females by a two to one margin in Nevada. National data released in August showed minorities suffering the largest increases. Black workers reached an unemployment rate of 18.8 percent, and the rate for Hispanics climbed to 14.6 percent. Youth are the hardest hit group, with 24.0 percent of all teenagers unemployed in August. Black teenagers registered a gloomy 51.6 percent rate of joblessness.

Although the economy is generally depressed nationwide, on a smaller scale the effects are unevenly distributed. Pockets of prosperity mingle with areas of record-high unemployment. Retailers of durable goods, such as autos, languish, while those who sell video games prosper. In Nevada, August claims data indicate that the construction, mining, and manufacturing industries have a higher relative incidence of unemployment than the other major industries. A very low incidence of unemployment appears in the only two industries which have not lost jobs over the year, transportation/communication/public utilities and public administration.

SOURCES: Department of Labor and Wall Street Journal.

ALL URBAN
U. S. CONSUMER PRICE INDEX
(1967 = 100)

JUL 82	JUL 81	JUN 82
292.2	274.4	290.6

U. S. UNEMPLOYMENT RATE
Seasonally Adjusted

AUG 82	AUG 81	JUL 82
9.8%	7.2%	9.8%

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	AUG 1982	AUG 1981	JUL 1982	AUG 1982	AUG 1981	JUL 1982	AUG 1982	AUG 1981	JUL 1982
MINING	476.83	455.80	466.32	41.0	41.1	40.2	11.63	11.09	11.60
CONSTRUCTION	628.26	580.29	637.21	37.0	36.2	36.6	16.98	16.03	17.41
MANUFACTURING	333.02	328.44	328.71	37.8	39.1	37.1	8.81	8.40	8.86
Durable Goods	348.35	344.92	348.94	37.7	39.6	37.4	9.24	8.71	9.33
Stone, Clay & Glass	415.10	402.87	415.49	36.8	40.9	38.4	11.28	9.85	10.82
Primary Metals	507.26	542.59	519.79	38.4	43.2	39.8	13.21	12.56	13.06
Nondurable Goods	304.80	290.31	291.34	38.1	37.9	36.6	8.00	7.66	7.96
Printing & Publishing	295.27	279.74	277.80	38.8	37.6	34.9	7.61	7.44	7.96
PUBLIC UTILITIES	430.12	420.86	433.09	39.9	41.1	40.4	10.78	10.24	10.72
TRADE	261.10	251.03	262.57	34.4	34.2	34.1	7.59	7.34	7.70

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